



# MEMORANDUM

City of Eugene  
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**Date:** October 21, 2011

**To:** Members of the Council Subcommittee on Human Services Funding

**From:** Sue Cutsogeorge, Finance Director, 541-682-5589

**Subject:** Advance Materials for October 25 Meeting

Attached are documents you'll be using as resources for next Tuesday's meeting. Please note that we'll be convening in the Bascom Conference Room in the Eugene Public Library from 12:00 to 1:30. The goal of the meeting will be to discuss the policy parameters for the amount of funding that the subcommittee will recommend to council, and the potential funding sources.

The attached documents are:

1. Meeting Agenda
2. Draft Minutes from October 4 Meeting
3. Best and Worst Outcomes
4. Memo with Follow-up Information
5. Memo with Discussion Topics for October 25 Meeting
6. Funding Matrix
7. Correspondence

If you have questions about the materials or there are other ways we can be helpful before we start, please give me a call at 541-682-5589 or email me at [Sue.L.Cutsogeorge@ci.eugene.or.us](mailto:Sue.L.Cutsogeorge@ci.eugene.or.us).



## A G E N D A

### **Council Subcommittee on Human Services Funding**

**Eugene Public Library  
100 West 10<sup>th</sup> Avenue, Bascom Conference Room, 1<sup>st</sup> Floor  
12:00 to 1:30 p.m.  
Tuesday, October 25, 2011**

- |                     |      |  |
|---------------------|------|--|
| 12:00 to 12:05 p.m. | I.   | <b>Agenda Review</b><br>Andy Fernandez   |
| 12:05 to 12:10 p.m. | II.  | <b>Follow-up from October 4 Meeting</b><br>Twylla Miller                                   |
| 12:10 to 12:15 p.m. | III. | <b>Minutes Approval</b><br>Subcommittee Members  |
| 12:15 to 12:50 p.m. | V.   | <b>Discussion of Approach to Determine Funding Level</b><br>Twylla Miller / Andy Fernandez |
| 12:50 to 1:20 p.m.  | VI.  | <b>Discussion of Funding Matrix</b><br>Twylla Miller / Andy Fernandez                      |
| 1:20 to 1:30 p.m.   | VII. | <b>Next Steps</b>  |

#### Subsequent Meetings

Library – 1<sup>st</sup> Floor Bascom Conference Room

Tuesday, 11/8, 12:00 to 1:30

Tuesday, 11/22, 12:00 to 1:30

# MINUTES

Council Subcommittee on Human Services Funding  
Bascom Room—Eugene Public Library  
100 West 10<sup>th</sup> Avenue—Eugene, Oregon

October 4, 2011  
12:15 p.m.

**PRESENT:** Andrea Ortiz, Chris Pryor, George Brown, members; Assistant City Manager Sarah Medary; Central Services Director Kristie Hammitt; Andy Fernandez, Library, Recreation, and Cultural Services Department; Mia Cariaga, Twylla Miller, Central Services Department; Stephanie Jennings, Mike Sullivan, Community Development Division; Lori Kievith, Pete Deshpande, Eugene Police Department; Pearl Wolfe, Katie Bloch, Lane County Health and Human Services; Juan Carlos Valle, guest.

**ABSENT:** Pat Farr, member.

Mr. Fernandez facilitated the meeting.

## **I. Subcommittee Charge**

Ms. Hammitt referred the committee to the Project Scope Statement, included in the meeting packet provided to members in advance of the meeting: *The council subcommittee will explore options to secure an increased level of stable and long term funding for human services in the community. The subcommittee will produce a report to the full council (written by staff) that recommends a level of investment in funding for human services and an on-going funding source adequate to cover the recommended service level.* She previewed future agenda topic areas.

Mr. Fernandez asked those present to consider what they thought would be the best and worst outcomes of the committee's four scheduled meetings. Ms. Miller recorded the remarks made on easel pads. Mr. Fernandez summarized the themes reflected in the remarks, noting that fear of doing nothing was the worst outcome expressed most frequently, and adequate funding was the best outcome expressed most frequently.

The committee briefly discussed the approach it wished to take to the discussions it planned to have. Ms. Ortiz distinguished between mandated and discretionary services provided by the City and suggested the committee discuss what the City was obligated to do versus what it thought was the right thing to do in regard to human services funding. Mr. Pryor agreed. Ms. Hammitt pointed out that the council had not discussed mandated service levels anytime in the last three years. She suggested the topic was most appropriately placed in the larger context of the council's goals. Ms. Ortiz believed she would benefit from such a discussion.

Mr. Brown asked about the total unfunded need. Ms. Wolfe indicated that for fiscal year 2012, the Human Services Commission (HSC) received \$6.5 million in funding requests and was able to fund only \$3.8 million. Ms. Jennings added that the funding mentioned by Ms. Wolfe was specific to operational costs and did not include capital costs or the costs of affordable housing and job creation efforts.

Mr. Pryor recommended that the committee avoid discussing the General Fund to keep its deliberations more manageable. He believed that if the committee attempted to discuss budget priorities within that

context it would realize its worst outcome and make no progress. He suggested the committee attempt to quantify the scope of the need and discuss non-General Fund approaches to meeting it. Mr. Fernandez suggested that the committee put the use of General Fund dollars in the “parking lot.”

## **II. History and Breadth of Human Services Funding**

Ms. Jennings led the committee through a PowerPoint presentation entitled *Social Services and Affordable Housing*. The presentation highlighted the elements of the Eugene-Springfield Consolidated Plan, which provided guidance for community investments in affordable housing, homeownership, and programming that helped residents to self-sufficiency. The presentation also included information about the Human Services Plan for Lane County, which guided community investments in four priority outcome areas: 1) basic needs, 2) increased self-reliance, 3) a safer community, and 4) improved access to services. The presentation included a breakdown of Human Services Commission General Fund member contributions for fiscal year 2012 and summarized the City’s historic contributions to human services funding. Ms. Jennings highlighted human services funding trends, which included continued reductions in State and federal funding, a shift toward placing people in permanent housing rather than emergency shelter, and changes in the overall mix of services as a result of the more competitive funding process that had been adopted.

## **III. Multi-Year Financial Plan**

Ms. Miller referred committee members to the *City of Eugene Multi-Year Financial Plan—FY12-FY17*, included in the meeting materials, and directed them to page 2 of the document, which summarized the City’s nine highest unfunded priorities. The priorities included the General Fund shortfall, Ambulance Transport Fund shortfall, Parking Fund stabilization, Parks & Open Space maintenance & operations capacity, Deferred Maintenance, pool preservation, pavement restoration backlog, added jail beds, and technical work associated with Envision Eugene. Ms. Miller estimated the total cost of funding the nine items over six years at \$134 million.

## **IV. Meeting the Challenge Task Force Report**

Ms. Miller then referred members to the *Meeting the Challenge Final Report*, dated January 22, 2010, and reminded the committee that City Manager Jon Ruiz had formed a task force to discuss new revenue sources. The task force recommended the City Council institute a five percent restaurant tax anticipated to yield about \$14 million annually. The task force’s alternative choices included a utility consumption tax and citywide monthly fee for service.

## **V. Next Steps**

Mr. Fernandez briefly noted some of the other remarks made during the best/worst outcomes discussion and suggested that they indicated an interest in looking outside normal funding approaches, an interest in comprehensive approach to funding that avoided impacts to other services, an interest in partnerships, and a hope that the process led to better service prioritization.

Mr. Pryor advocated for a process modeled on that used by the council committee on transportation funding, which included consideration of multiple funding sources and their interactions with each other.

The committee agreed to a suggestion by Ms. Hammitt that it discuss the scope of the existing need at the next meeting.

Ms. Ortiz advocated for discussion of whether the City should continue to use one-time General Fund dollars to fund human services and add to that one-time money or replace it with funding other sources. She pointed out the City had many unmet needs that it could spend its General Fund dollars on. Ms. Hammitt agreed. She suggested that staff could forecast costs for a six-year period and the committee could discuss if the service mix was correct and how the direct contracts for services worked in the mix.

Speaking to the idea of scoping the need, Ms. Jennings expressed concern that the exercise could become self-defeating if the identified need was very large. She suggested that instead, the committee define the base level of services, identify the City's role and the roles played by others, and then determine the most effective services that could be strategically added to the system if more money became available.

Ms. Ortiz suggested that the City needed some sort of trigger mechanism to increase or reduce funding depending on the money received. She liked the idea of having a six-year funding plan.

Ms. Hammitt suggested that the committee could also discuss a tiered approach to services.

Mr. Pryor suggested the committee also discuss leveraging additional funding through partnerships.

Mr. Fernandez summarized the conversation, saying the committee would look at the scope of need, focus on non-General Fund sources, discuss replacing or supplanting the one-time funding, discuss possible partnerships and tiered approaches, receive a six-year forecast, and discuss the immediate gaps in funding that would exist next year. He anticipated that staff would include a public comment period on future agendas.

Responding to a question from Mr. Fernandez about other agencies or parties to involve, Mr. Pryor encouraged staff to provide notice of the meetings to the members of the Human Services Network. He also suggested that staff contact representatives of education, health, and employment and housing services.

Mr. Fernandez adjourned the meeting at 1:35 p.m.

*(Recorded by Kimberly Young)*



## Human Services Council Sub-Committee

October 4, 2011

### Best Outcomes

- Clarity to prioritize funding
- Start establishing an appropriate role for the City and develop a community-wide solution that aligns with financial goals
- Clear strategy for City's role in Human Services and creative ways to implement
- Find and develop a solution, and participants feel that it was time well spent
- Find a way to fund the increased need for Human Services
- Logical, sustainable and adequate level of funding that doesn't impact other services
- Don't look at the issue in a vacuum – develop good recommendations
- Develop a stable level of funding so that costs in other areas are minimally impacted
- Active level of partnership with other jurisdictions
- Human Services savings – costs in terms of other services
- Develop a plan to recommend long term Human Services Funding
- No more one-time funding discussions of Human Services at Budget Committee meetings
- Look broad, see creative solutions
- Regional partnerships
- Staff / Council increase knowledge of providers of Latino services - direct assistance to those agencies
- Partnerships to include business communities, and develop a plan to blend all aspects of the community
- Identify new funding streams and implement, consider affordable housing and Eugene homelessness issues
- Solid direction to Council > service goals, budget priority
- Develop a sustainable long term budget solution for Human Services, affordable housing

### Worst Outcomes

- Don't find a way to fund the need for human services
- Nothing changes
- Revenues decreases and there is a reduction in Human Services support
- Reduced resources will lead to an increased level of competition
- Surrounding community can't sustain, and there will be an influx of need to Eugene
- Group decides that they have done all they can
- Giving up
- Human Services is bottomless set of needs
- Development of permanent "under class" – costs
- No clear direction for funding Human Services
- No solution found – Budget Committee asks continue

- No action
- Increase in low income families
- Latino families ignored and basic services not met
- Develop a report that doesn't get used
- Less money
- Heightened levels of poverty
- Community conflict with impacted populations
- Come to inconclusive place
- Inadequate funding of social services for the most vulnerable
- Indecision and problem gets worse
- This group doesn't have the tools, information for decision-making





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**Date:** October 21, 2011

**To:** Members of the Council Subcommittee on Human Services Funding

**From:** Twylla Miller, Senior Financial Analyst

**Subject:** Follow up Information from October 4 Meeting

This memorandum includes some follow-up information requested at the first subcommittee meeting. At that meeting, a presentation was given reviewing HSC contributions and direct contract funding associated with human services. The following summary shows the FY12 appropriated funding for those areas:



Human Service Funding Summary, FY12 Budget

General Fund	
HSC GF Base Allocation	\$1,035,000
HSC GF 1X - HSC Stabilization	150,000
HSC 1X - Looking Glass Youth Shelter (EPD)	36,000
Direct Contracts	
Miscellaneous (Homeless Connect etc.)	5,000
Homeless Camping	89,000
Whitebird - CAHOOTS (EPD)	600,000
Total General Fund Contributions*	1,915,000
Related Funding	
CDBG Funds	1,254,000
HOME Funds	1,362,000
Related Funding Total	2,616,000
<b>Total City of Eugene Human Service Funding</b>	<b>4,531,000</b>

Additionally, there are overhead costs beyond the contributions listed above for the staff time necessary to implement and manage the programs and contracts.

The City also contributes to human services through providing a broad portfolio of programs and resources including services such as adaptive recreation and making annual contributions of \$36,000 to the EWEB Customer Care program from the Stormwater and Wastewater Funds. Many of the services that the City provides include some component of social equity or social justice, which could also be considered a human service program.

While the need in our community for these services is increasing, the stability of traditional funding sources is decreasing.

Funding Source	Status	Cause
General Fund	Unstable 	\$6M gap, structural imbalance
Federal Funds	Caution 	Uncertainty of Federal Budget

The General Fund continues to be unstable due to the structural imbalance in the current service level which is compounded by the effect on revenues due to the prolonged economic downturn. The current General Fund forecast shows a budget gap of \$6 million over the next two fiscal years (FY13/FY14) which doesn't account for other unfunded needs facing the City.

Federal CDBG and HOME fund allocations have decreased from in FY12 from FY11 funding levels by 16% and 7%, respectively. With the budget issues currently facing the Federal government there is continued uncertainty around the stability of future funding levels for these programs.

Additionally, the City of Eugene has awarded twenty-year property tax exemptions on a project by project basis to low-income housing developments. Generally, based on the benefits provided to the community and the duration of the low-income housing commitment, property tax exemptions are eligible as HOME match. After the State of Oregon extended the sunset date for this program, Eugene City Council followed suit in April 2011 extending the program at the local level through the year 2020.

Another question that came up at the October 4 meeting was whether the City was mandated to provide any human services. The answer to that question is that we are not mandated to provide those services; rather, City Council has made the policy choice to fund certain human services activities.



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**Date:** October 21, 2011  
**To:** Members of the Council Subcommittee on Human Services Funding  
**From:** Sue Cutsogeorge, Finance Director, 541-682-5589  
**Subject:** Discussion Topics for October 25 Meeting

At the last meeting, the subcommittee shared their best and worst outcomes for stabilization of human service funding. Three major themes emerged from that conversation:

- Understanding the human services funding gap
- Understanding what is in the City of Eugene's baseline
- Finding stability for human services funding

Information about what is included in the City of Eugene's budget for human services related to HSC contributions and direct contracts has been provided in presentations on October 4 and in a follow-up memo from Twylla Miller included in this packet.

In terms of understanding the funding gap, the City does not have a comprehensive inventory of needs and funding gaps for the wide range of human services. Any such analysis would take a significant amount of time to compile. It would require input from policy makers to determine what outcomes are desired in order to determine what services could meet those outcomes, and then calculate a gap. While it is recognized that defining the comprehensive scope and/or gap of human services funding is desired, it is not possible to do that work, have a meaningful policy discussion and make recommendations related to the broader issue of human services in the remaining meetings scheduled over the next few weeks.

The focus of work over the remaining meetings could be for the subcommittee to discuss, in high level terms, two main items:

- THE WHAT: approach for determining desired funding levels with a possible range of dollar values, and
- THE HOW: recommended funding source or sources to pay for a portion or all of the human service programs.

At the October 25 meeting, the subcommittee could consider a series of continuums that would help to determine the potential scope of the funding gap. Broadly speaking, the continuums are:

- What types of services are included in the conversation? Traditional human services definition, or a broader definition including social equity services (i.e., recreation, planning, etc.)?
- What outcomes should be achieved with the funding? The current outcomes that are achieved with current service levels, reallocating current dollar to achieve different outcomes, or achieve current plus additional outcomes?
- What areas of the community are included in this conversation? City of Eugene provided services and funding only, or a broader jurisdictional conversation?

Once subcommittee members discuss and come to a consensus on the high-level policy parameters that could be used to define the funding levels, the conversation will move on to how the funds will be raised for those costs. To help facilitate the discussion of potential funding sources, a funding matrix is attached. This summarizes information from the Meeting the Challenge Task Force Report, with a focus on revenues to pay for human service needs. As part of that discussion, a last continuum will be used to facilitate conversation. That continuum will lay out some of the potential dollar targets for the funding solution to be considered.

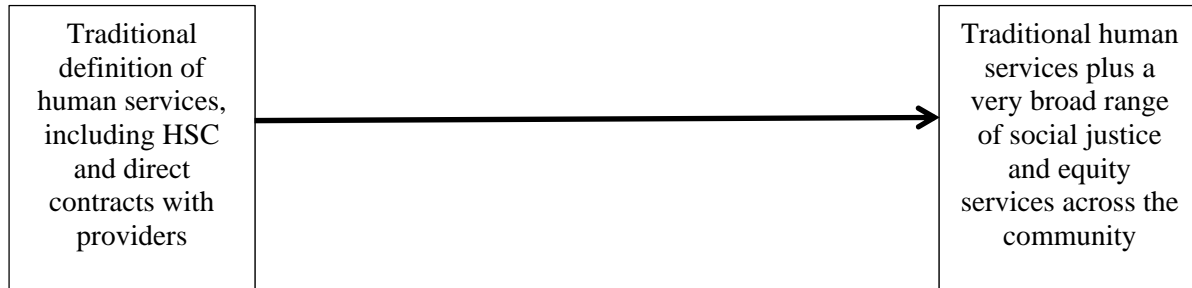
In general, the continuums have the following characteristics in common:

- Left side results are more concrete; right side, more conceptual
- Left side the City has more control; right side, less control
- Left side issues are simpler to deal with; right side, more complicated
- Left side, the timeline could be faster; right side, more time to implement

The following pages include the continuums to be discussed at the meeting.

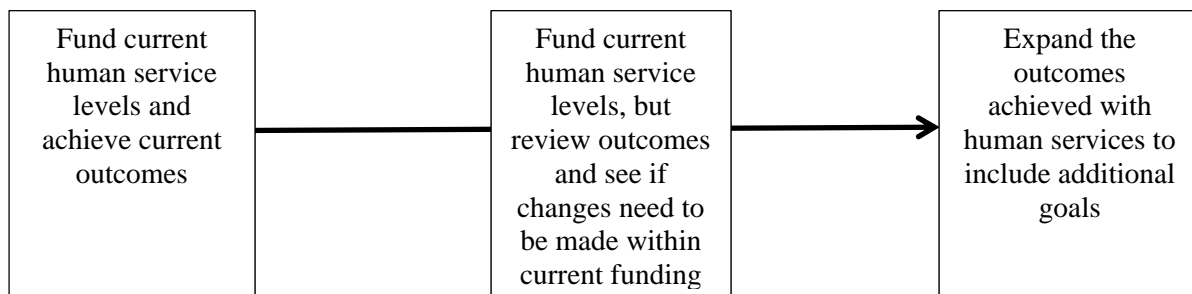
### **Continuum #1 - Type of Services**

- For purposes of defining the funding gap that the subcommittee will recommend to City Council, where should the focus be on the types of services to be covered by the funding solution?



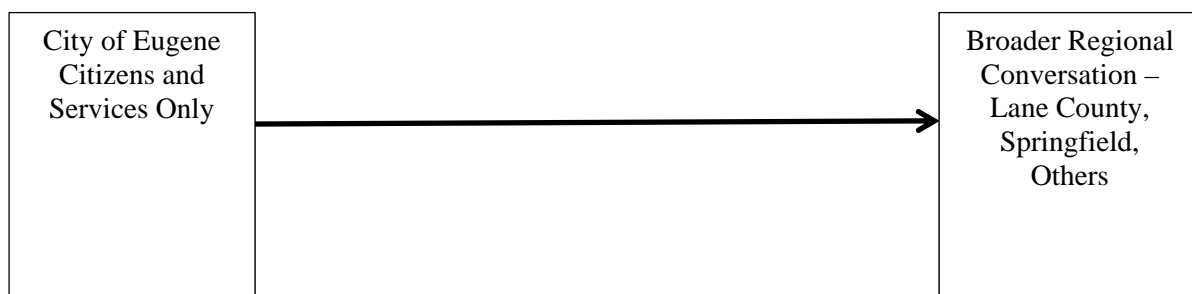
### **Continuum #2 – Desired Outcomes**

- For purposes of defining the funding gap that the subcommittee will recommend to City Council, should the focus be on achieving the current outcomes, or is there a desire to refocus resources to achieve different outcomes, or to expand services to achieve additional outcomes?



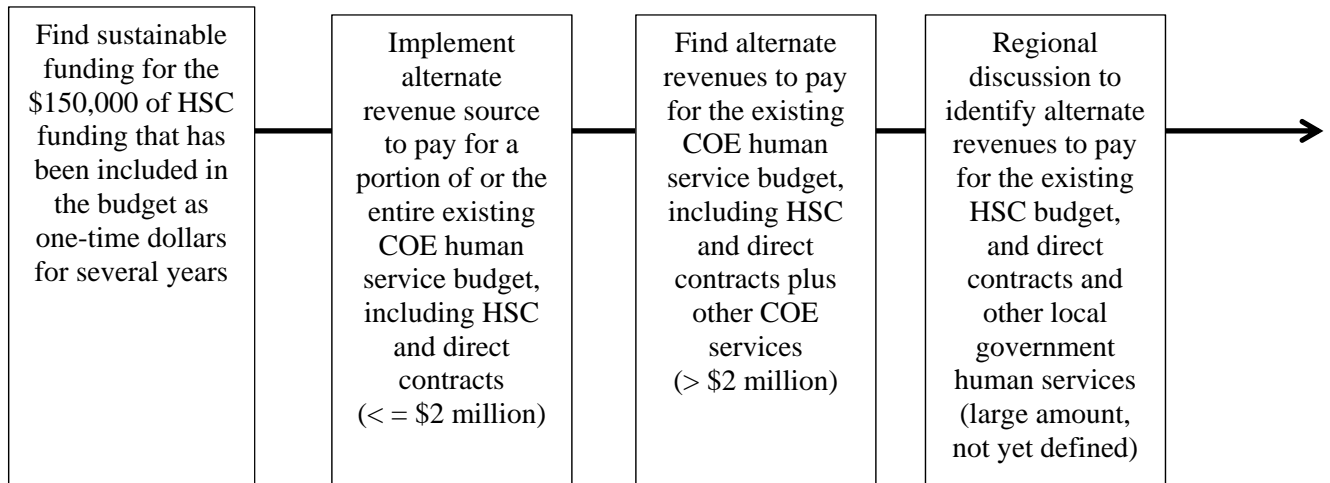
### **Continuum #3 – Geographic Area**

- For purposes of defining the funding gap that the subcommittee will recommend to City Council, should the focus be on services to Eugene citizens and provided by City of Eugene funding only, or should there be a wider, cross-jurisdictional conversation?



#### **Continuum #4 – Funding Levels**

- Given the previous conversations about types of services to be funded, the outcomes to be achieved, the geographic area included, and the timeline for implementation, where on the dollar continuum should the subcommittee recommend that the City Council focus the funding efforts?



**Human Services Subcommittee**  
**Potential Revenue Sources**

Potential Revenue Sources	Rate	Estimated Amount Generated	Stability	Administrative Effort	Timeline To Implement	Who Pays The Tax			Politically Supportable	
						City Residents	Non-Residents	Businesses	General Fairness	Easily Understood By Citizens
Restaurant Tax	5.0%	~\$14 million annually	Revenues could fluctuate with economy	High. Internal program would need to be established for collection/ administration. Significant initial set-up costs.	By FY14	X	X		Yes	Yes
Utility Consumption Tax	1.5%	~\$2 million annually	Stable	Minimal if imposed on utility companies based on gross receipts with the presumption the tax is passed on to consumers.	By FY14	X		X	Yes	Yes
Public Service Fee	Flat fee per property unit	~\$0.7 million annually assuming a flat fee of \$1 per unit per month	Stable	Minimal if billed by EWEB; much higher if the City were to implement an in-house billing and collection process.	By FY14	X		X	Yes	Yes
Local Option Property Tax Levy	Depends on the amount to be raised	\$5 million annually, assuming a levy of ~\$80 per year for a median single-family house	Stable in the short-run, but requires periodic renewals	Minimal.	By FY13 (if placed on May 2012 ballot)	X		X	Yes	Yes
Business License Fee	A fixed amount per business, a flat % of income, or a fee per number of employees	Under \$2 million annually	Revenue would fluctuate with economic conditions	High administrative effort that would require establishing a new in-house program.	By FY14			X	Depends on fee structure	Depends on fee structure
Payroll Tax	1.0%	~\$30 million annually if applied to all payrolls and assuming a rate of 1.0%	Revenue would fluctuate with economic conditions	If Oregon Department of Revenue is unable or unwilling to administer, collect and enforce a City payroll tax, the cost for administration would be very high.	By FY14	X	X (non-residents who work in the City)		Regressive (excludes non-wage income)	Yes
Income Tax - Corporate	Depends on the tax structure (flat, tiered, etc.)	Unknown at this time	Revenue would fluctuate with economic conditions	High; administration, collection and enforcement would have to be handled by the City of Portland or the Oregon Department of Revenue.	By FY14			X	Depends on the tax structure	No
Income Tax - Personal	Depends on the tax structure (flat, tiered, etc.)	A tiered school income tax was proposed in 2011 that excluded joint filers with OTI under \$22,000 and had several rates ranging from 0.35% to 1.20% depending on the income level, would have raised an estimated \$16.8 million annually.	Revenue would fluctuate with economic conditions. Tax avoidance and evasion would likely be an issue.	High; administration, collection and enforcement would have to be handled by the City of Portland .	By FY13 (if placed on May 2012 ballot)	X			Depends on the tax structure	No

Last updated: 10/20/11





## Correspondence

## MEMORANDUM

**TO:** City of Eugene Council Committee on Human Services Funding  
**FROM:** Steve Manela, Human Services Division Manager  
**DATE:** October 19, 2011  
**RE:** Human Service Funding Trends

This memo is being provided to assist City of Eugene Council Committee on Human Service Funding in their recommendation process for development of long-range revenue to support human services.

The landscape of human services has changed dramatically; particularly because of the ongoing economic downturn. This paper provides a very brief look at the changes that are relevant for planning for revenue.

- **Regional human services funding is unstable**, with the state and federal governments reducing or eliminating historic funding for human services. Requests made to the Human Services Commission for 2011-2013 funding were focused on emergency services to prevent homelessness, financial assistance and food provision, employment support services, child and youth development, and access to services. These issues and funding challenges are not unique to Lane County and we will continue to work with the Human Services Commission and our regional partners to identify long-term funding mechanisms to meet the human services needs of the community.
- **Impact of Cuts:** With the downturn in the economy the demand for human services in our recent human service Request for Proposal process far exceeded resources available for human services. As a result, human service agencies made severe staff and service cutbacks. Decreases to federal and state have caused reduced hours of operation, reductions in services offered, and an overall instability to the local safety net.
- **ARRA Funding:** During the past two fiscal years over \$3 million was awarded to the Human Services Commission through ARRA for human services. However, this funding was a one-time infusion of funds that is time-limited (most has been expended and the modest balance must be expended this fiscal year). Most funds were supporting very specific county-wide activities and are not intended to support the local safety net over time. Further, the majority of the funding was in the form of rental assistance to individuals and families impacted by the recession, and thus provided little or no operating support to local nonprofits by design.
- **Growth of Needs:** While human services have experienced deep reductions the needs of our community continue to grow. The need for human services in Lane County is greater than ever, as we are experiencing high unemployment and poverty, decreased housing and economic stability, decreased state and federal public assistance and job training resources.

**The ongoing economic conditions increase the needs of our most vulnerable** while State and Federal funding is shrinking. Here are just a few indicators of the growing need for financial and other forms of assistance:

- As of July, 2010, 73% of non-profit human services agencies reduced programming staff - primarily due to the already increased cost and decreased revenues.
- The Poverty Rate for Lane County has risen approximately 4.1% between 2000 and 2010 to 18.6% of all county residents are now living below the Federal Poverty line. In the City of Eugene, the percentage of people living below the poverty line increased from 16.1% in 2000 to 21.4% in 2010. While this figure is inclusive of students, it still represents a 4.1% increase in the percentage of people living in poverty from 2000 to 2010.
- People living at or below 150% FPL in Lane County in 2010 are 104,596 or 32%. Eugene residents living at or below 150% FPL in the City of Eugene are 47,873 or 30%. (2010 Census table S1702).
- The homeless one night count has increased from 1523 in FY 2001 to 2503 in FY 2011.
- 10% increase in the number of homeless children in Oregon who are in the Public School system. 20,545 up from 19,040 in 2009-10. Lane County's numbers 2,285, up from 1,850.
- Food needs have increased significantly - 27% increase in people seeking food assistance at the major Eugene sites between July, 2010 and June, 2011. In Lane County, 1 out of 4.5 people are on Food Stamps; it was 1 in 7 before the recession began in 2008. The food supply is "less than adequate." The food supply is lower than it should be and the food being distributed lacks sufficient protein, is not varied and half is perishable. This results in a shorter time frame for a household's food supply to last in a given month.
- With a 58% decrease in FEMA Food & Shelter Board Funding, local food and shelter providers have fewer resources available, family shelter units have been decreased dramatically as well as the food supply purchased from these funds.
- With a 50% decrease in federal Low-Income Energy Assistance Funds (LIHEAP) funds for the number of households receiving energy assistance will be reduced from 14,000 to 7,000. Even with increased funding last fiscal year we were forced to stop adding potential clients to the list on November 30, 2010, before the cold winter months even began.
- With American Recover and Reinvestment Act (ARRA) funds sun setting we will no longer be able to provide rental assistance to keep 929 people housed per year.
- Multiple deployments are impacting Iraq and Afghanistan war veterans. This cumulative strain impacts service members physically, psychologically, socially, and economically. Severe mental health issues, including PTSD are affecting more veterans. The national recession is making it difficult for returning veterans to find employment.
- Younger veterans are beginning to seek services and more are expected to reach out in the next few years. The number of Iraq and Afghanistan veterans seeking services from the Lane County Veterans' Program is increasing. Their numbers are expected to continue to rise as these new veterans follow the pattern of Vietnam era veterans who took several years to seek help.
- Senior and Disabled Services serves people who either qualify as disabled or are over 60 and have seen a huge growth in clients.
- There are more long-term unemployed, particularly among the 16-24 age group and the 50+ population. Unemployment numbers mask the true issue. Many working part-time who need full-time employment with benefits to be economically self-sufficient.

**Federal Health Care Reform** will change how our health care system is organized, bringing challenges and opportunities. Looking to the future, the passage of federal health care reform legislation will have profound impacts on the delivery of health care in the State of Oregon. New ways of paying for health care will bring together hospitals, community health centers, public health, behavioral health, and specialty care systems to better coordinate care. More low-income adults in Lane County will become eligible for Medicaid coverage in 2014, but work will be needed to preserve our community and public health systems and prepare for this increased demand. We will closely monitor these developments to capture the most benefit for our community while simultaneously trying to keep the mental health and substance abuse care crisis services intact during a time of severe state and local budget challenges.

### **Balanced Approach of Best Practices**

As we contemplate future investments in human services we know that best practices particularly in the areas of ending homelessness, childhood and youth development, and integration of services can move our community forward.

**Housing First models** have significantly improved the quality of life of formerly chronically homeless residents and demonstrated reduced costs to public emergency systems. As part of the Ten Year Plan to End Homelessness in Lane County, we have emphasized permanent supportive housing for people who are extremely vulnerable along with homelessness prevention for those at-risk housed. By providing a high level of specialized services along with supportive housing, residents are getting healthier and engaging positively in our community. The dramatic success of projects like St. Vincent dePaul Vet LIFTs, or Sponsors, and HACSA/Shelter Care's Shelter Plus Care received national attention and validates our investment in this best practice.

**Evidence supporting the importance of healthy early childhood and youth development** has proliferated. Advances in neuroscience continue to refine our understanding of the extent to which early childhood experiences shape the developing brain and set the stage for lifelong health. Adverse childhood experiences such as extreme poverty, abuse, and neglect have damaging, long-term effects. Policies and programs that support children, youth and families reduce the need for more costly interventions down the road. Like many parts of the human service system budget challenges are affecting our region's ability to sustain current services.

**Integrating behavioral health, primary care, social, and housing services** is more effective than past approaches. Over 30 studies have proven that a patient-centered, team approach to treating people with mental illnesses or substance abuse disorders are more successful than the usual methods. In integrated care models, medical, behavioral health and housing staff works as a team. Care coordinators systematically screen patients using evidence-based tools, and help people get the right level of care – including access to specialized mental health care when needed. The care team then checks in with patients and takes action if they aren't showing improvement. The success of these models both locally and around the country means we'll see more work on integrating service systems in the years to come.

**Funding crises are reducing social services budgets, making local human services more important than ever.** With revenues still declining as a result of the recession and budget reserves largely drained, the federal and state governments have made spending cuts that reduce necessary services to vulnerable people. Recently, the State of Oregon implemented across-the-board reductions to homeless, mental health and other services. The loss of these and other basic services increases the strain on local human services as our programs struggle to fill the gap.